



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0429	Title:	Interstate medical licensure compact
Primary Sponsor:	Hill, Ellie Boldman	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$35,604	\$17,000	\$10,000	\$10,000
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$35,604	\$17,000	\$10,000	\$10,000
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 429 enters Montana into a multi-state Medical License Compact, which grants physicians multi state privileges with other compact member states. Physicians can practice in other party states, and will be required to be licensed in a state of their choosing where they either primarily reside, practice medicine 25% of the time, where their employer is located, or the primary state designated for federal income tax purposes. The fiscal impact of this bill will be costs for rule making, annual fees to the interstate compact, travel connected with interstate compact business with the Montana Board of Medical Examiners, (BOME), training for licensing staff, as well as additional legal service hours.

FISCAL ANALYSIS

Assumptions:

Department of Labor & Industry (DoLI)

1. There will be an initial fee due to the Federation of State Medical Boards for Montana's participation in the establishment and set up of the interstate compact. It is estimated this cost will be \$10,000 in FY 2016.
2. There will be annual dues to the compact to cover compact costs in association with Montana's membership. Annual dues are estimated at \$10,000. It is anticipated dues will be owed in FY 2017 and annually thereafter.

3. One member of the Board of Medical Examiners and the board's Executive Officer will travel to out of state meetings regarding joining the compact and the compact set up for Montana. It is estimated there will be four out of state meetings; two in FY 2016 and two in FY 2017. It is anticipated that the cost of the meetings in FY 2016 will be longer in duration, due to initial work in establishing the compact. It is estimated the costs for commercial travel, lodging, meals and per diem for the board member will total \$6,000 per meeting in FY 2016 for a total cost of \$12,000; and \$3,000 per meeting in FY 2017 for a total cost of \$6,000.
4. The board will engage in four conference calls in FY 2016 regarding information exchange for data set up, licensing changes, rules proposed to be discussed. It is estimated these calls will run \$250 per call in long distance charges and set up, or \$1,000 total.
5. BOME will provide training to the department's Licensing Bureau staff regarding changes to licensing process as a result of entering the compact. It is estimated this training and the related materials will cost \$1,000 in FY 2017.
6. It is estimated the time charged to the Board of Medical Examiners by the BOME Executive Officer will increase by an additional \$3,000 in FY 2016 and again in FY 2017 for a total of \$6,000. There would not be an increase to the department as it would be offset with time available to assist other boards.
7. The BOME will utilize additional legal service time to aid the board in set up of compact membership and logistics. It is estimated the board will use an additional 80 hours of legal time in FY 2016 for a total of \$7,600.
8. The BOME will write rules to implement this legislation. The board will hold a two hour hearing to receive public comment with a hearing officer and court reporter present. Total cost of the hearing is estimated to be \$440.
9. The board will have a 10 page rule notice and two page adoption notice. Fees to the Secretary of State will total \$600.
10. The board will notify interested parties via postcard or letter to view the notice on the board's website. The total cost is estimated to be \$164.
11. The board will use additional legal services to write the rules, address comments and assist with the adoption notice. Costs are estimated to be \$3,800.
12. As noted in assumptions 8 through 11, the total cost for rule making is estimated to be \$5,004 in FY 2016.
13. It should be noted that because this is a new compact to be created from the ground up, costs may be as stated or could be less if an entity agrees to underwrite the initial organizational process. The Federation of State Medical Boards (FSMB) may also seek to recover costs through a federal grant or use their own reserves.

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Operating Expenses	\$35,604	\$17,000	\$10,000	\$10,000
TOTAL Expenditures	\$35,604	\$17,000	\$10,000	\$10,000
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$35,604	\$17,000	\$10,000	\$10,000
TOTAL Funding of Exp.	\$35,604	\$17,000	\$10,000	\$10,000
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$35,604	\$17,000	\$10,000	\$10,000
TOTAL Revenues	\$35,604	\$17,000	\$10,000	\$10,000
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date